



STATE OF NEVADA  
DEPARTMENT OF TAXATION

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Posted 9/13/24

## **NOTICE OF WORKSHOPS**

### **Proposed Permanent Regulations**

#### **LCB File No. R135-24 and R191-24**

**Date and Time of Meeting:**

**October 1, 2024**

**2:00 p.m.**

**Place of Meeting:**

**Nevada Department of Taxation  
4600 Kietzke Lane, Suite L235  
Reno, NV 89502**

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This meeting will also be available by zoom. Please use the link below to join the webinar:  
<https://us02web.zoom.us/j/87065980947>

Or One tap mobile:

+16694449171, 87065980947# US

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Webinar ID: **870 6598 0947**

International numbers available: <https://us02web.zoom.us/j/87065980947>

The Department of Taxation will hold workshops to solicit comments from interested parties on the following proposed permanent regulations:

**LCB File No. R135-24**, revises requirements for a business entity to claim a certain exemption from the real property transfer tax; and provides other matters properly relating thereto.

Existing law imposes taxes on transfers of real property and authorizes the Department of Taxation to adopt regulations to carry out the provisions of law governing those taxes. (NRS 375.015, 375.020, 375.023, 375.026) Existing law exempts from such taxes a transfer between business entities that constitutes a mere change in identity, form or place of organization, unless the transfer is made to a business entity formed for the purpose of avoiding taxes on the transfer. (NRS 375.090) This regulation requires a business entity claiming this exemption to submit to the county recorder: (1) an affidavit containing an attestation by the affiant that the business entity to which the real property is being transferred was not formed for the purpose of avoiding the taxes on transfers of real property; and (2) certain documentation sufficient to establish that the real property is not being transferred to a business entity formed for the purpose of avoiding those taxes.

**LCB File No. R191-24**, revises provisions governing the determination of obsolescence to be deducted from the taxable value of property; and provides other matters properly relating thereto.

Existing law requires the Nevada Tax Commission to adopt regulations governing the assessment of property by county assessors, county boards of equalization, the State Board of Equalization and the Department of Taxation. (NRS 360.250)

Existing law establishes the method for determining the taxable value of real property and personal property. (NRS 361.227) Under existing law, the taxable value of any property must not exceed the full cash value of the property, and each person determining the taxable value of property is required to reduce the taxable value of the property if necessary to ensure that the taxable value of the property is less than its full cash value. (NRS 361.227)

Under existing regulations, if the initially determined taxable value of real property exceeds the full cash value, the person determining the taxable value of the real property is required to reduce, as appropriate, the taxable value determined for the land, the improvements on the land and any pertinent personal property so that the taxable value of the property does not exceed its full cash value. (NAC 361.131) **Section 1** of this regulation provides that the personal property for which the value may be reduced is the personal property assessed on or before July 1 of the fiscal year immediately preceding the fiscal year for which the taxes on the real property are levied.

Under existing regulations, in determining the amount of obsolescence to be deducted from the taxable value of improvements to real property so that the taxable value of the real property does not exceed its full cash value, the State Board and county boards of equalization are required to consider the total value of the land and improvements. (NAC 361.6405) **Section 2** of this regulation additionally requires that in determining such obsolescence of the improvements to real property: (1) the State Board and the county boards of equalization must determine whether the total taxable value of the land, improvements and pertinent personal property exceeds full cash value; and (2) the pertinent personal property to be considered is the pertinent personal property assessed before July 1 of the fiscal year immediately preceding the fiscal year for which the taxes on the real property are levied. **Section 2** also requires that in determining any

reduction to the taxable value of personal property on the unsecured tax roll because of obsolescence, the State Board and county boards of equalization must consider only whether the taxable value of that personal property exceeds full cash value, without considering the value of any property on the secured tax roll.

A copy of the regulations referenced above can be found on the Department's website at [https://tax.nv.gov/Boards/Public\\_Meetings/](https://tax.nv.gov/Boards/Public_Meetings/) and at the Nevada Legislature's website at <https://www.leg.state.nv.us/App/Notice/A/>.

All interested parties will have the opportunity to present their ideas. Please submit all suggestions in writing at least one week prior to the Workshop so the suggestions can be disseminated at the meeting. Written comments may be accepted at any time. Please email any comments to Sarah Glazner at [sglazner@tax.state.nv.us](mailto:sglazner@tax.state.nv.us) so they may be posted to the Department's website. All public input will be considered in preparing a proposed regulation to be presented to the Nevada Tax Commission for adoption.

In compliance with the Americans with Disabilities Act, individuals requiring special accommodations to participate in this workshop should notify Tina Padovano at 775-684-2096 or [tpadovano@tax.state.nv.us](mailto:tpadovano@tax.state.nv.us) at least 3 days before the workshop. In order to comply with the security procedures of the Department, you will be required to show identification and sign a visitor's log prior to entering the meeting room.

If you need an accommodation in order to communicate during the workshop, the Department will provide one at no cost to you. Arrangements for an interpreter should be made as soon as possible, but no later than 14 days before the scheduled meeting. Please contact Tina Padovano at 775-684-2096 at least 14 days in advance to request an interpreter in your preferred language. You may also submit your request to [tpadovano@tax.state.nv.us](mailto:tpadovano@tax.state.nv.us).

Si necesita una ayuda para comunicarse durante la audiencia, el Departamento se lo proporcionará sin costo alguno. Los trámites para conseguir un intérprete deben hacerse lo antes posible, pero a más tardar 14 días antes de la cita programada. Por favor, póngase en contacto con Tina Padovano al 775-684-2096 con al menos 14 días de anticipación para solicitar un intérprete en su idioma de preferencia. También puede solicitarlo a través de [tpadovano@tax.state.nv.us](mailto:tpadovano@tax.state.nv.us).

**Notice has been posted at the following location:** The Department of Taxation – 3850 Arrowhead Drive, Carson City.

**Notice has been EMAILED/MAILED for posting at the following locations:**

Department of Taxation - 4600 Kietzke Lane, Building L, Ste 235, Reno, Nevada; Department of Taxation - 700 E. Warm Springs Rd, Ste 200, Las Vegas, Nevada; The Legislative Building – 401 S. Carson St., Carson City, Nevada; 7120 Amigo St., Las Vegas, Nevada; The Nevada State Library - 100 Stewart Street, Carson City, Nevada; Interested Parties Group; and the Mailing List maintained by the Department. Notice of this meeting was posted on the Department of Taxation website at <https://tax.nv.gov/>, on the Legislative website at <https://www.leg.state.nv.us/>, and the Nevada Public Notice Website at <https://notice.nv.gov/>.

If you have any questions, please feel free to call Sarah Glazner at 775-684-2059.

**Nevada Tax Commission**  
**Proposed Regulations**

**R0135-24 and R191-24**

**Regulatory Workshops**

**Agenda**

**Conducted by:**

NEVADA DEPARTMENT OF TAXATION

***Date and Time of Meeting:***

***October 1, 2024***

***2:00 p.m.***

**Place of Meeting:**

**Nevada Department of Taxation  
4600 Kietzke Lane, Suite L235  
Reno, NV 89502**

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This meeting will also be available by zoom. Please use the link below to join the webinar:

<https://us02web.zoom.us/j/87065980947>

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+1 669 444 9171 US or +1 669 900 9128 US (San Jose) or +1 719 359 4580 US or +1 253 205 0468 US or + 1 253 215 8782 or + 1 346 248 7799 US (Houston) or +1 309 205 3325 US or +1 312 626 6799 US (Chicago) or +1 360 209 5623 US or +1 386 347 5053 US or +1 507 473 4847 US or +1 564 217 2000 US or +1 646 558 8656 US (New York) or +1 646 931 3860 US or +1 689 278 1000 US or +1 301 715 8592 US (Washington DC) or +1 305 224 1968 US

Webinar ID: **870 6598 0947**

International numbers available: <https://us02web.zoom.us/j/87065980947>

- I. **\*\*Public Comment** – In consideration of others, who may also wish to provide public comment, please avoid repetition and limit your comments to no more than five (5) minutes. Please email any comments to Tina Padovano at [sglazner@tax.state.nv.us](mailto:sglazner@tax.state.nv.us) so they may be posted to the Departments website.

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+1 669 444 9171 US or +1 669 900 9128 US (San Jose) or +1 719 359 4580 US +1 253 205 0468 US or + 1 253 215 8782 or +1 346 248 7799 US (Houston) or +1 309 205 3325 US or +1 312 626 6799 US (Chicago) or +1 360 209 5623 US or +1 386 347 5053 US or +1 507 473 4847 US or +1 564 217 2000 US or +1 646 558 8656 US (New York) or +1 646 931 3860 US or +1 689 278 1000 US or +1 301 715 8592 US (Washington DC) or +1 305 224 1968 US

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- II. Workshop to solicit comments from interested parties regarding the proposed permanent regulation of the Nevada Tax Commission, LCB File No. R135-24, which revises requirements for a business entity to claim a certain exemption from the real property transfer tax; and provides other matters properly relating thereto.
- III. Workshop to solicit comments from interested parties regarding the proposed permanent regulation of the Nevada Tax Commission, LCB File No. R191-24, which revises provisions governing the determination of obsolescence to be deducted from the taxable value of property; and provides other matters properly relating thereto.

A copy of the regulations referenced above can be found on the Department’s website at [https://tax.nv.gov/Boards/Public\\_Meetings/](https://tax.nv.gov/Boards/Public_Meetings/) and at the Nevada Legislature’s website at <https://www.leg.state.nv.us/App/Notice/A/>.

- IV. **\*\*Public Comment** – In consideration of others, who may also wish to provide public comment, please avoid repetition and limit your comments to no more than five (5) minutes.

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+1 669 444 9171 US or +1 669 900 9128 US (San Jose) or +1 719 359 4580 US or +1 253 205 0468 US or + 1 253 215 8782 or +1 346 248 7799 US (Houston) or +1 309 205 3325 US or +1 312 626 6799 US (Chicago) or +1 360 209 5623 US or +1 386 347 5053 US or +1 507 473 4847 US or +1 564 217 2000 US or +1 646 558 8656 US (New York) or +1 646 931 3860 US or +1 689 278 1000 US or +1 301 715 8592 US (Washington DC) or +1 305 224 1968 US

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- V. Adjourn

**Note: Items on this agenda may be taken in a different order than listed. Items may be combined for consideration by the Department of Taxation. Items may be pulled or removed from the agenda at any time.**

**\*\*This item is to receive public comment on any issue and any discussion of those issues, provided that comment will be limited to areas relevant to and within the authority of the Nevada Department of Taxation. No action will be taken on any items raised in the public comment period. Public Comment may not be limited based on viewpoint.**

Please contact Sarah Glazner at 775-684-2059 or [sglazner@tax.state.nv.us](mailto:sglazner@tax.state.nv.us) for any support materials. The support materials will be available at <https://tax.nv.gov/> and made available during the meeting located at the Nevada Department of Taxation, 4600 Kietzke Lane, Ste L235, Reno.

In compliance with the Americans with Disabilities Act, individuals requiring special accommodations to participate in this workshop should notify Tina Padovano at 775-684-2096 or [tpadovano@tax.state.nv.us](mailto:tpadovano@tax.state.nv.us) at least 3 days before the workshop. In order to comply with the security procedures of the Department, you will be required to show identification and sign a visitor's log prior to entering the meeting room.

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**SMALL BUSINESS IMPACT STATEMENT AS REQUIRED BY  
NRS 233B.0608 and NRS 233B.0609**

**LCB File No. R135-24**

**1. Background**

**LCB File No. R135-24**, revises requirements for a business entity to claim a certain exemption from the real property transfer tax; and provides other matters properly relating thereto.

Existing law imposes taxes on transfers of real property and authorizes the Department of Taxation to adopt regulations to carry out the provisions of law governing those taxes. (NRS 375.015, 375.020, 375.023, 375.026) Existing law exempts from such taxes a transfer between business entities that constitutes a mere change in identity, form or place of organization, unless the transfer is made to a business entity formed for the purpose of avoiding taxes on the transfer. (NRS 375.090) This regulation requires a business entity claiming this exemption to submit to the county recorder: (1) an affidavit containing an attestation by the affiant that the business entity to which the real property is being transferred was not formed for the purpose of avoiding the taxes on transfers of real property; and (2) certain documentation sufficient to establish that the real property is not being transferred to a business entity formed for the purpose of avoiding those taxes.

**2. A description of the manner in which comment was solicited from affected small businesses, a summary of their responses, and an explanation of the manner in which other interested persons may obtain a copy of the summary.**

The Department of Taxation prepared and disseminated a questionnaire seeking information from small businesses regarding the possible impact of LCB File No R135-24. The proposed language and questionnaire were dispersed to the following:

- Emailed by the Department to 192 members of its interested parties list.
- Mailed to 10 Rural Businesses
- Emailed by the Nevada Taxpayers Association to its list of interested taxpayers.

The content responses are summarized below:

- One response to the questionnaire was received for LCB Draft of Proposed Regulation – File No. R135-24 from the Nevada Chapter of the National Federation of Independent Business (“NFIB”)
- NFIB identified impacts on business owners to file large amounts of paperwork every time they sell property, noting that most small businesses do not have a team of lawyers and document preparers to assist in property transfers. Therefore, despite the regulation’s intent to provide clarity to what it perceives as an ambiguous statute adopted in AB 448 of the 2023 Legislative Session, the NFIB identified various

concerns with the process by which documents will be reviewed, including, without limitation, whether the County Recorder and Department will simultaneously review the documents, how long the process will take, who will provide ultimate approval, how will approvals be communicated, where can inquiries be submitted to assist in a property transfer, how does the appeals process work and how will businesses accommodate differing rules for counties with different populations which could lead to varying interpretations

- NFIB requests an amendment to require that documents be affirmatively acknowledged within one week of submission, or they will be deemed approved to ensure that business/property transactions do not get delayed or cancelled due to delays in the process.

Anyone interested in obtaining a copy of the completed small business impact questionnaire used for this summary, can contact:

Sarah Glazner  
Nevada Department of Taxation  
3850 Arrowhead Drive, 2<sup>nd</sup> Floor  
Carson City, NV 89706  
[sglazner@tax.state.nv.us](mailto:sglazner@tax.state.nv.us)  
Phone: (775) 684-2059  
Fax: (775) 684-2020

**3. The manner in which the analysis was conducted, including the methods used to determine the impacts of the proposed regulation on small businesses.**

One response was received for LCB Draft of Proposed Regulation R135-24, for the questionnaire regarding the impact of the regulation on small businesses. There is concern that the regulation will cause a burden for small business owners due to the large amount of paperwork required every time a property is sold. Additionally, there is concern regarding the process by which the documents will be reviewed.

**4. The estimated economic effect of the proposed regulation on small businesses which it is to regulate:**

**Adverse and Beneficial Effects**

Though the level of economic effect is presently undetermined, the Department finds that there may be certain adverse economic effect on small businesses in the form of potential delays of property transfers while complying with the regulatory requirements. There are no known beneficial effects on small businesses.



## **Direct and Indirect Effects**

The Department finds that there is no reasonable, foreseeable or anticipated direct economic effect on small businesses; however, there may be indirect economic effects on small businesses by requiring additional documents and information to be provided to the Department before any sales/transfers of real property.

**5. A description of the methods that the agency considered to reduce the impact of the proposed regulation on small businesses and a statement regarding whether the agency actually used any of those methods.**

The Department of Taxation prepared and disseminated a questionnaire seeking information from small businesses regarding the possible impact of LCB File No R135-24. The proposed language and questionnaire were dispersed to the following:

- Emailed by the Department to 192 members of its interested parties list.
- Mailed to 10 Rural Businesses
- Emailed by the Nevada Taxpayers Association to its list of interested taxpayers.

In response to the feedback provided by NFIB, the Department will engage in dialogue with NFIB during the public workshop to better understand the impacts of the proposed regulation and whether it can provide additional clarifying procedures to reduce the stated impacts.

**6. The estimated cost to the agency for enforcement of the proposed regulation.**

The proposed regulation presents no significant foreseeable or anticipated cost or decrease in costs for enforcement.

**7. If the proposed regulation provides a new fee or increases an existing fee, the total annual amount the agency expects to collect and the manner in which the money will be used.**

The proposed permanent regulation does not include new fees or increase an existing fee.

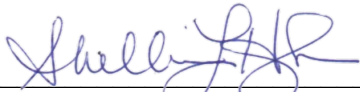
**8. If the proposed regulation includes provisions which duplicate or are more stringent than federal, state or local standards regulating the same activity, an explanation of why such duplicative or more stringent provisions are necessary.**

The proposed regulation does not overlap or duplicate any regulation of other federal, state or local government entities.

**9. The reasons for the conclusion of the agency regarding the impact of a regulation on small businesses.**

The Department has determined that there may be adverse impacts to small businesses based on feedback received from the NFIB indicating concerns over the lack of clarity, potential delays and additional duties on small businesses to provide additional documentation in the event of a real property transfer/sale.

**I hereby certify, to the best of my knowledge or belief, a concerted effort was made to determine the impact of the proposed regulation on small businesses and that this statement was properly prepared, and the information contained herein is accurate.**



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**Shellie Hughes**, Executive Director  
September 13, 2024

**SMALL BUSINESS IMPACT STATEMENT AS REQUIRED BY  
NRS 233B.0608 and NRS 233B.0609**

**LCB File No. R191-24**

**1. Background**

**LCB File No. R-191-24**, revises provisions governing the determination of obsolescence to be deducted from the taxable value of property; and provides other matters properly relating thereto.

Existing law requires the Nevada Tax Commission to adopt regulations governing the assessment of property by county assessors, county boards of equalization, the State Board of Equalization and the Department of Taxation. (NRS 360.250)

Existing law establishes the method for determining the taxable value of real property and personal property. (NRS 361.227) Under existing law, the taxable value of any property must not exceed the full cash value of the property, and each person determining the taxable value of property is required to reduce the taxable value of the property if necessary to ensure that the taxable value of the property is less than its full cash value. (NRS 361.227)

Under existing regulations, if the initially determined taxable value of real property exceeds the full cash value, the person determining the taxable value of the real property is required to reduce, as appropriate, the taxable value determined for the land, the improvements on the land and any pertinent personal property so that the taxable value of the property does not exceed its full cash value. (NAC 361.131) **Section 1** of this regulation provides that the personal property for which the value may be reduced is the personal property assessed on or before July 1 of the fiscal year immediately preceding the fiscal year for which the taxes on the real property are levied.

Under existing regulations, in determining the amount of obsolescence to be deducted from the taxable value of improvements to real property so that the taxable value of the real property does not exceed its full cash value, the State Board and county boards of equalization are required to consider the total value of the land and improvements. (NAC 361.6405) **Section 2** of this regulation additionally requires that in determining such obsolescence of the improvements to real property: (1) the State Board and the county boards of equalization must determine whether the total taxable value of the land, improvements and pertinent personal property exceeds full cash value; and (2) the pertinent personal property to be considered is the pertinent personal property assessed before July 1 of the fiscal year immediately preceding the fiscal year for which the taxes on the real property are levied. **Section 2** also requires that in determining any reduction to the taxable value of personal property on the unsecured tax roll because of obsolescence, the State Board and county boards of equalization must consider only whether the taxable value of that personal property exceeds full cash value, without considering the value of any property on the secured tax roll.

**2. A description of the manner in which comment was solicited from affected small businesses, a summary of their responses, and an explanation of the manner in which other interested persons may obtain a copy of the summary.**

The Department of Taxation prepared and disseminated a questionnaire seeking information from small businesses regarding the possible impact of LCB File No R191-24. The proposed language and questionnaire were dispersed to the following:

- Emailed by the Department to 192 members of its interested parties list.
- Mailed to 10 Rural Businesses
- Emailed by the Nevada Taxpayers Association to its list of interested taxpayers.

The content responses are summarized below:

- No response was received for LCB Draft of Proposed Regulation – File No. R191-24.

Anyone interested in obtaining a copy of the completed small business impact questionnaire used for this summary, can contact:

Sarah Glazner  
Nevada Department of Taxation  
3850 Arrowhead Drive, 2<sup>nd</sup> Floor  
Carson City, NV 89706  
[sglazner@tax.state.nv.us](mailto:sglazner@tax.state.nv.us)  
Phone: (775) 684-2059  
Fax: (775) 684-2020

**3. The manner in which the analysis was conducted, including the methods used to determine the impacts of the proposed regulation on small businesses.**

No response was received for LCB Draft of Proposed Regulation R191-24 for the questionnaire regarding the impact of the regulation on small businesses. Accordingly, the Department analyzed the proposed language and used informed, reasonable judgment in determining that there will not be an impact on small businesses due to the nature of the regulatory changes as affecting property appraisals.

**4. The estimated economic effect of the proposed regulation on small businesses which it is to regulate:**

**Adverse and Beneficial Effects**

The Department finds that there is no reasonable, foreseeable or anticipated adverse or beneficial economic effect on small businesses.

**Direct and Indirect Effects**

The Department finds that there is no reasonable, foreseeable or anticipated direct or indirect economic effect on small businesses.

**5. A description of the methods that the agency considered to reduce the impact of the proposed regulation on small businesses and a statement regarding whether the agency actually used any of those methods.**

The Department prepared and disseminated a questionnaire seeking information from small businesses regarding the possible impact of LCB File No R191-24. The proposed language and questionnaire were dispersed to the following:

- Emailed by the Department to 192 members of its interested parties list.
- Mailed to 10 Rural Businesses
- Emailed by the Nevada Taxpayers Association to its list of interested taxpayers.

As no responses were received from small businesses and the purpose of the regulation relates to property appraisals, the Department determined there was not an impact on small businesses.

**6. The estimated cost to the agency for enforcement of the proposed regulation.**

The proposed regulation presents no significant foreseeable or anticipated cost or decrease in costs for enforcement.

**7. If the proposed regulation provides a new fee or increases an existing fee, the total annual amount the agency expects to collect and the manner in which the money will be used.**

The proposed permanent regulation does not include new fees or increase an existing fee.

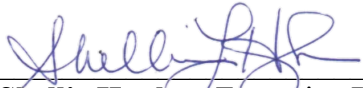
- 8. If the proposed regulation includes provisions which duplicate or are more stringent than federal, state or local standards regulating the same activity, an explanation of why such duplicative or more stringent provisions are necessary.**

The proposed regulation does not overlap or duplicate any regulation of other federal, state or local government entities.

- 9. The reasons for the conclusion of the agency regarding the impact of a regulation on small businesses.**

The Department has determined that there will be no adverse impacts to small businesses based on its analysis of the proposed regulations and lack of public comment.

**I hereby certify, to the best of my knowledge or belief, a concerted effort was made to determine the impact of the proposed regulation on small businesses and that this statement was properly prepared, and the information contained herein is accurate.**



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**Shellie Hughes**, Executive Director  
September 13, 2024

**PROPOSED REGULATION OF THE  
NEVADA TAX COMMISSION**

**LCB File No. R135-24**

July 15, 2024

EXPLANATION – Matter in *italics* is new; matter in brackets ~~omitted material~~ is material to be omitted.

AUTHORITY: § 1, NRS 360.090, 375.015 and 375.090.

A REGULATION relating to taxation; revising requirements for a business entity to claim a certain exemption from the real property transfer tax; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

Existing law imposes taxes on transfers of real property and authorizes the Department of Taxation to adopt regulations to carry out the provisions of law governing those taxes. (NRS 375.015, 375.020, 375.023, 375.026) Existing law exempts from such taxes a transfer between business entities that constitutes a mere change in identity, form or place of organization, unless the transfer is made to a business entity formed for the purpose of avoiding taxes on the transfer. (NRS 375.090) This regulation requires a business entity claiming this exemption to submit to the county recorder: (1) an affidavit containing an attestation by the affiant that the business entity to which the real property is being transferred was not formed for the purpose of avoiding the taxes on transfers of real property; and (2) certain documentation sufficient to establish that the real property is not being transferred to a business entity formed for the purpose of avoiding those taxes.

**Section 1.** Chapter 375 of NAC is hereby amended by adding thereto a new section to read as follows:

*1. A business entity claiming that a transfer is exempt from the taxes imposed by chapter 375 of NRS pursuant to subsection 1 of NRS 375.090 shall submit to the county recorder with the declaration of value required by NRS 375.060 the affidavit in the form prescribed by the Department for use by a county recorder, which is known as the “Affidavit for Exemption 1.”*

*Such an affidavit must:*

*(a) Contain an attestation by the affiant that the business entity to which the real property is being transferred was not formed for the purpose of avoiding the taxes imposed by chapter 375 of NRS; and*

*(b) Be accompanied by documentation sufficient to establish that the real property is not being transferred to a business entity formed for the purpose of avoiding taxes imposed by chapter 375 of NRS, including, without limitation, a plan of reorganization, proof of continuity of interest, proof of continuity of business enterprise, proof of legitimate business purpose for the reorganization or any other documentation requested by the Department.*

*2. As used in this section, “plan of reorganization” means a written plan which states the reason or purpose for the reorganization of a business entity and the type of change in:*

*(a) Identity, including, without limitation, a change from a business entity of one type to another business entity of the same type, such as a change from one limited-liability company to another limited-liability company;*

*(b) Form, including, without limitation, a change from one type of business entity to another type of business entity, such as a change from a limited-liability company to a corporation or a change from a general partnership to a limited partnership; or*

*(c) Place, including, without limitation, a change to the jurisdiction in which a business entity is organized, such as a change from a corporation organized pursuant to the laws of the State of California to a corporation organized pursuant to the laws of this State.*



**PROPOSED REGULATION OF THE  
NEVADA TAX COMMISSION**

**LCB File No. R191-24**

August 15, 2024

EXPLANATION – Matter in *italics* is new; matter in brackets ~~omitted material~~ is material to be omitted.

AUTHORITY: §§ 1 and 2, NRS 360.090, 360.250 and 361.227.

A REGULATION relating to property tax; revising provisions governing the determination of obsolescence to be deducted from the taxable value of property; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

Existing law requires the Nevada Tax Commission to adopt regulations governing the assessment of property by county assessors, county boards of equalization, the State Board of Equalization and the Department of Taxation. (NRS 360.250)

Existing law establishes the method for determining the taxable value of real property and personal property. (NRS 361.227) Under existing law, the taxable value of any property must not exceed the full cash value of the property, and each person determining the taxable value of property is required to reduce the taxable value of the property if necessary to ensure that the taxable value of the property is less than its full cash value. (NRS 361.227)

Under existing regulations, if the initially determined taxable value of real property exceeds the full cash value, the person determining the taxable value of the real property is required to reduce, as appropriate, the taxable value determined for the land, the improvements on the land and any pertinent personal property so that the taxable value of the property does not exceed its full cash value. (NAC 361.131) **Section 1** of this regulation provides that the personal property for which the value may be reduced is the personal property assessed on or before July 1 of the fiscal year immediately preceding the fiscal year for which the taxes on the real property are levied.

Under existing regulations, in determining the amount of obsolescence to be deducted from the taxable value of improvements to real property so that the taxable value of the real property does not exceed its full cash value, the State Board and county boards of equalization are required to consider the total value of the land and improvements. (NAC 361.6405) **Section 2** of this regulation additionally requires that in determining such obsolescence of the improvements to real property: (1) the State Board and the county boards of equalization must determine whether the total taxable value of the land, improvements and pertinent personal property exceeds full cash value; and (2) the pertinent personal property to be considered is the pertinent personal property assessed before July 1 of the fiscal year immediately preceding the fiscal year for which the taxes on the real property are levied. **Section 2** also requires that in

determining any reduction to the taxable value of personal property on the unsecured tax roll because of obsolescence, the State Board and county boards of equalization must consider only whether the taxable value of that personal property exceeds full cash value, without considering the value of any property on the secured tax roll.

**Section 1.** NAC 361.131 is hereby amended to read as follows:

361.131 If the initially determined taxable value for any real property *that is subject to valuation before the completion of the assessment roll on or before January 1 of a fiscal year pursuant to NRS 361.310* is found to exceed the full cash value of the property, the person determining taxable value shall examine the taxable value determined for the land ~~{}~~ and, if *appropriate, reduce the taxable value of the land. If* the land is properly valued, he or she shall appropriately reduce ~~{the}~~ :

1. *The* taxable values determined for the improvements ~~{and, if}~~ ;
2. *If* appropriate, the *taxable* value of the land ; and
3. *If appropriate and applicable to the determination of the taxable value of the real property, the taxable value of* any pertinent personal property ~~{}~~ *assessed on or before July 1 of the fiscal year immediately preceding the fiscal year for which the taxes on the real property will be levied.*

**Sec. 2.** NAC 361.6405 is hereby amended to read as follows:

361.6405 1. The State Board of Equalization will or a county board of equalization shall, in ~~{fixing a percentage of}~~ *determining* obsolescence ~~{to be deducted from}~~ *of* the taxable value of any improvements *the valuation of which is* subject to *appeal in* its jurisdiction, consider the total value of land and improvements *and, if applicable to the valuation, any pertinent personal property assessed as of July 1 of the fiscal year immediately preceding the fiscal year for which the taxes are levied,* to determine whether *total* taxable value exceeds full cash value.

*2. The State Board of Equalization will or a county board of equalization shall, in determining obsolescence of the taxable value of personal property on the unsecured tax roll the valuation of which is subject to appeal in its jurisdiction, consider only the value of that personal property, without considering the value of any property on the secured tax roll, to determine whether the taxable value of the personal property on the unsecured roll exceeds full cash value.*